

# NewsLetter



Years

THE OFFICIAL NEWSLETTER OF THE AMERICAN CHAMBER OF COMMERCE IN ALBANIA

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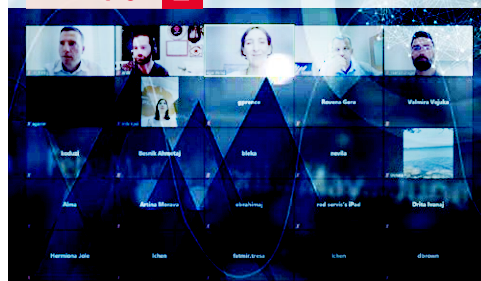
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## THE TRAINING

# SELECTING TALENT UNDER THE NEW NORMAL: A DIGITAL PERSPECTIVE

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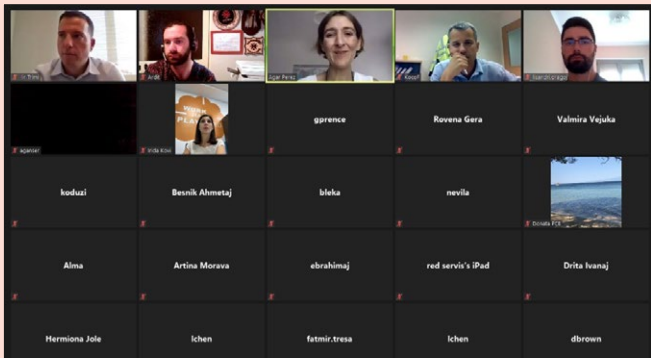
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## AmCham organizes training on the future of doing business in a post Covid-19 world



# BUSINESS CONTINUITY IN THE NEW DIGITAL ERA



In a world suffering the ill effects of the pandemic, with health and economic concerns stemming from an unprecedented crisis, ensuring business continuity is not easy. That's why the American Chamber of Commerce in Albania provided its members with a training opportunity on "Business Continuity, Adaptation to a New World" -- a training session led by Vodafone Albania Business Managing Director Agar Perez Valer.

The training session was an effort by the AmCham Digital Business Committee members to help other AmCham members and the business community in general to shift their thinking toward a new digital era that will help companies survive in the new post Covid-19 reality. That was also the focus of Ms. Perez Valer's presentation, dealing in detail on Covid-19's impact on businesses,

how they will adapt to a new way of thinking, worker safety with new protocols on social distancing and remote work and the strong trend toward digitalization and automation of work processes.

The health and economic shocks have been widely reflected in the statistics of countries around the world. While the first and major concern was the protection of human health, the economy started to show its own ills with alarms raised over contraction. Covid-19's impact was felt in three stages, with lockdown and reopening behind, it seems the world is now entering a third stage that has to do with the radical change of labor practices and the reformatting of markets on a new concept of business development.

To adopt to this new era, Ms. Perez Valer suggested AmCham mem-

bers should start to define the workplace differently.

"The business model will become more digital and automated in all segments and industries,"

**Ms. Perez Valer said**, focusing on the steps that businesses need to take today -- from reforming the supply chain to preparing for the radical changes that government policies, society and consumer behavior will undergo.

Business behavior to date shows that many companies are starting to think about workplace safety in addition to working remotely. Consumers have also changed their minds, with two-thirds thinking they will have to prepare careful financial planning and reporting that coronavirus has affected their family income. The

managers of the companies themselves have started to significantly reduce their expenses by preparing for an even more difficult financial situation. But there are a few things on which spending has actually increased and on which companies have started to invest heavily. These include cloud computing, robotics and advanced analytics.

According to the available data, 24% of finance executives anticipate more spending on automating processes and robotics, 20% anticipate more spending on cloud-based ERP technologies, and 19% anticipate more spending on advanced analytics.

But what do businesses need to do to adapt to this new era? Minimizing risks and maximizing opportunities will be the motto of any company's strategic plan. It's time for everyone to turn to digital solutions, and the work of converting all business segments to digital should start urgently.

In her advice to businesses, Ms. Perez Valer also urged them to radically change the way they work, communicate and engage with clients. Today, the B2B and B2C connections need to be stronger than ever and digitalization is the way businesses can do it, she noted.



## AMCHAM ALBANIA AND AIMS INTERNATIONAL ORGANIZE TRAINING SESSION:



**T**he digital new normal under which businesses are operating as they adapt to the Covid-19 era has transformed many of the work processes -- including recruitment.

To bring a clear perspective on how digital recruitment can be carried out, the American Chamber of Commerce in Albania worked with AIMS International to organize a training session: "Selecting talent under the new normal: A digital perspective", with Endri Ndoni, an HR consultant at AIMS International Albania, serving as presenter. The elements presented at the training session included the finding and recruitment of talented employees in the new normal, the cycles of online recruitment as well as the best advice and practices to use during a recruitment process. The session was followed with great interest by the attending AmCham members.

As the global economy has gone through various stages of economic and technological development, from the global financial crisis and the resulting 2008 recession to the establishment of the 5G platform, digital transformations and development plans made in 2019 are out of place in 2020, the year that changes everything. Business continuity is now only possible through digital technology, and that's what HR executives are using to best serve their companies.

During the training session, Mr. Ndoni explained to the members that the first step is to assess and manage the crisis and then move on to the virtual space where there are opportunities for social contact and cooperation. Under the current conditions, online interviews will often be conducted, which HR experts believe are a very good opportunity for the company.

"A digital recruitment process can save

# SELECTING TALENT UNDER THE NEW NORMAL: A DIGITAL PERSPECTIVE



businesses hundreds of hours and help you make faster offers to the best talent," Mr. Ndoni told AmCham members.

Another important aspect of the training session were interviewing techniques and tips on how to conduct good interviews that lead to a clear understanding of candi-

dates during an online interview. Mr. Ndoni explained that understanding comes as a result of the impression created by the HR expert who conducts the interview but is also based on the way the interview highlights the communication, presentation and dialogue developed with the candidate.



Eni Xheko

Hotel Xheko Imperial

# Albania's tourism sector faces huge crisis as a result of COVID-19

**C**OVID-19 has affected every sector of the economy around the globe, but the hospitality industry is among the hardest hit. Albania's tourism sector was hit with a huge crisis in the second quarter of 2020 just as it was getting ready to recover from the 2019 earthquakes.

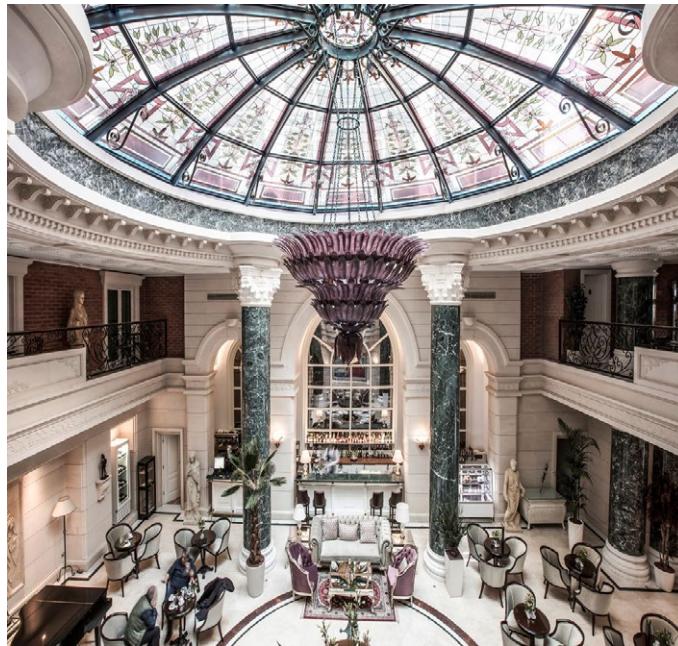
According to experts, the hotel industry faces a long recovery period of 12 to 18 months, with earnings being 30 to 50% of the level seen in 2019. Reaching the pre-COVID-19 level could happen in 2023 or later.

To address these issues, worldwide, hotels are pursuing aggressive policies that are being supported by state programs.

## HOTEL INDUSTRY RECOVERY

The hotel industry in Albania is in a deep crisis that requires an immediate intervention by the government. The payment of 40,000 leks to employees affected by the lockdown did not address the real problems the industry faces, and the proposed sovereign guarantee credit package is not at all suitable for hotels due to the conditions it comes under. The government must thus intervene with a concrete strategic plan through a third package which would help bring the industry out of this existential crisis.

Here are some short- and medium-term recommendations proposed to the government by the Albanian Tourism Association:



## MEASURES TO BE TAKEN BY HOTEL OPERATORS

Hotel managers will play an important role in pushing the industry forward by changing the way hotels operate. There can't be a global plan because each region has its own nuances and features, but managers can become sharper in their approach. A strategy for survival during the crisis can serve as a formula for success even after COVID-19.

### Some of the strategies that hotel managers can follow include:

- Using human capital more productively through reducing managerial hierarchy, eliminating duplication of responsibilities, different salary and compensation mechanisms.
- Replacing some internal services with outsourced resources.
- Offering safety to customers through preparing a plan to prevent the spread of the virus in the hotel premises and publishing the plan on all major communication channels, including the hotel website, social media and via email.
- Aim to attract local customers alongside international ones through the promotion of various packages.
- Be creative!

**Sovereign guarantee no-interest loans, wage and social insurance subsidies for workers, exemption from property taxes in 2020,**

drafting support programs through international support, marketing and promotion of Albania in primary and potential markets through a digital marketing strategy, incentive programs for stimulating travel, etc.

"In times of crisis, it's wonderful what the imagination will do." - Ruskin Bond.



## MONITOR MAGAZINE

The blow over the economy because of Covid-19 has caused the economic sentiment indicator (ESI) during the second quarter to mark the lowest historical level since the beginning of its measurement in 2002, the Bank of Albania reported. The contraction of the indicator by 50.2 points shifted it near the value of 52.6 and significantly below its long-term average. ESI's contract reflected both the deteriorating business confidence, particularly in the service sector, and consumer confidence. The confidence of businesses and consumers marked the lowest levels in time.

The confidence indicator in the industrial sector (CII) deepened the decline during the second quarter, resulting in 24.0 percentage points below the level of a quarter earlier. TBI fell below its long-term average for the first time in six years and recorded the lowest historical level. The strong contraction of the indicator is mainly attributed to the decrease of the production balance, by 50.7 percentage points, and to a lesser extent, the decrease of the balance of the custom contracts, by 28.9 percentage points. The other constituent component of TBI, the inventory balance sheet, contributed to the growth direction of the indicator dynamics. Significant declines were also recorded in other industry surveillance balances, such as financial situation, export contract orders, expectations for employment performance in the next quarter, and capacity utilization rate. Capacity utilization rate was about 64.0%, the lowest historical level. Meanwhile, the balance of expectations for production performance in the next quarter improved slightly.

The confidence indicator in the construction sector (CIC) fell by 29.5 percentage points during the second quarter, moving further below its historical average. The strong contraction of CIC mainly reflected the decline in the balance of construction activity by 50.7 percentage

points. The CIC's other formation balance, commodity contracts, also contributed to the downturn, although its 8.3 percentage point decline over the quarter was relatively smoother. Other surveillance balances for this sector, such as financial condition, employment and expectations for the next quarter, as well as capacity utilization rates also showed declining dynamics during the period under analysis. The quarterly decline in the capacity utilization rate to 56.6% shifted the indicator below the historical average by 7.3 percentage points.

The confidence indicator in the services sector (CIS) showed the strongest contraction between confidence indicators during the second quarter, with 56.6 percentage points, marking the lowest historical level. The deterioration of CIS reflected the decline of both its constituent components, the balance of business performance, by 58.0 percentage points, and the balance of demand, by 55.3 percentage points. Other monitoring balances in the service sector, such as financial condition, employment and capacity utilization, also declined. The capacity utilization rate stood close to

70.2%, about 6.0 percentage points below its historical average. Meanwhile, the expectations of service businesses for the performance of demand and employment in the next quarter turned out to be improved.

The confidence indicator in the trade sector (CIT) shrank by 19.8 percentage points during the second quarter, marking the historical minimum for the time of conducting the confidence survey in this sector. The declining dynamics of the CIT was determined almost entirely by the decline in the business performance balance by 38.4 percentage points, at a time when the decline in the other forming balance, expectations for employment performance in the next quarter, proved relatively easier. Other trade balance balances, such as financial position, employment, and capacity utilization, also declined. Businesses involved in commercial activities turn out to have utilized their production capacities with the lowest rate recorded in time, about 65.0%. Meanwhile, the balance of expectations for business performance in the next quarter showed improvement.

The Consumer Confidence Index (CCI) deepened the downward trend during the second quarter, also marking the lowest historical level in time. The decrease of CCI with 6.3 percentage points reflected the deterioration of the four constituent components of the indicator, namely the balance of the general economic situation expected in the country, with 10.0 percentage points, the balance of the expected financial situation of the family, with 7.9 percentage points, the balance of large purchases, at 6.8 percentage points, and the balance of income and expenses, at 0.8 percentage points.

# Trust in the economy

## by businesses and consumers falls to minimal historical levels from Covid-19

